

This Instrument was prepared by:

A. Neal Graham, Esq.  
Harris, Shelton, Dunlap, Cobb & Ryder, PLLC  
6060 Poplar Avenue, Suite 450  
Memphis, TN 38119

(901) 682-1455

After recording, return this Instrument to:

Matthew R. Buesching, Esq.  
Blackwell Sanders Peper Martin, LLP  
720 Olive Street  
Suite 2400  
St. Louis, Missouri 63101  
Phone: (314) 345-6000

**COLLATERAL ASSIGNMENT OF DEED OF TRUST AND SECURITY  
AGREEMENT, AND OTHER LOAN DOCUMENTS**

THIS COLLATERAL ASSIGNMENT OF NOTE, DEED OF TRUST AND SECURITY AGREEMENT, AND OTHER LOAN DOCUMENTS ("**Collateral Assignment**") dated September 18, 2003, and is made effective the 22<sup>nd</sup> day of September, 2003, from **DESCO FINANCIAL, L.L.C.**, a Missouri limited liability company ("**Desco**") to **COMMERCE BANK, N.A.**, a national banking association, in its capacity as administrative agent and collateral agent for the Banks (hereinafter defined) ("**Agent**");

RECITALS:

(A) Desco, as borrower, has entered into a Loan Agreement dated September 27, 2000 with COMMERCE BANK, N.A., UNION PLANTERS BANK, N.A., and WELLS FARGO BANK, NATIONAL ASSOCIATION (collectively, the "**Banks**") and Agent (such agreement as amended, restated or supplemented from the time to time including the Supplement to Loan Agreement dated May 30, 2002, and made effective as of June 3, 2002, whereby Sub-Borrower, as defined herein, joined therein, the "**Loan Agreement**"). The Banks have agreed to make certain loans to Desco pursuant to revolving credit facility of up to \$50,000,000.00 in aggregate principal amount at any time outstanding (the "**Primary Facility**") pursuant to the terms of the Loan Agreement.

(B) Desco has agreed to lend to SM PROPERTIES MEMPHIS, L.L.C., a Missouri limited liability company ("**Sub-Borrower**"), which is an affiliate of Desco, and Sub-Borrower has agreed to borrow a portion of the proceeds of the Primary Facility in the initial principal amount of Two Million Seven Hundred Thirty-Five Thousand One Hundred Fifty-Nine and 60/100 Dollars (\$2,735,159.60) (the "**Sub-Facility Loan**") under the terms and conditions of the Loan Agreement.

(C) The Banks have required, as a condition to making the Primary Facility, that Desco execute this Collateral Assignment; and

(D) As evidence of the indebtedness incurred under the Sub-Facility Loan, Sub-Borrower has executed and delivered to Desco that certain Mortgage Note of even date herewith, payable to the order of Desco in the principal amount of the Sub-Facility Loan, with interest thereon, as the same may from time to time be amended, modified, restated, extended or substituted (the "**Note**"), payment of which is secured by that certain Deed of Trust and Security Agreement of even date herewith (the "**Deed of Trust**") executed by Sub-Borrower in favor of Desco, and covering the "**Mortgaged Property**" (as defined in the Deed of Trust), as well as an Assignment of Lessor's Interest in Leases and Rents of even date herewith (the "**Assignment**") executed by Sub-Borrower in favor of Desco with respect to the Mortgaged Property. The Deed of Trust, Assignment, and all other documents, now existing or hereafter executed by Sub-Borrower in favor of Desco and securing the Note, are referred to herein as the "**Security Documents**."

(E) The Mortgaged Property includes the land more particularly described in Exhibit A attached hereto (the "**Land**") and the improvements thereon and other Mortgaged Property with respect thereto.

NOW, THEREFORE, in consideration of the foregoing and to secure the payment obligations of Desco with respect to the Primary Facility and to secure all other "**Obligations**" (as defined in the Loan Agreement) of Desco to the Banks and Agent, Desco has endorsed the Note and delivered possession of the Note to Agent and hereby collaterally assigns, transfers and conveys unto the Agent the Note and all Desco's right, title and interest as holder and all amounts becoming due thereunder, including, but not limited to principal, interest, fees, and reimbursements for collection expenses, and all other proceeds thereof and income therefrom; together with all its right, title and interest in and to the Deed of Trust, the Assignment, and the Security Documents and all rights, powers and remedies as the beneficiary under the Deed of Trust and as the assignee under the Assignment and under the other Security Documents, including, but not limited to, the Deed of Trust and Assignment described on Exhibit B attached hereto; provided, however, until an Event of Default occurs under the Loan Agreement, Desco may continue to receive payments from Sub-Borrower of principal and interest due on the Note.

Desco hereby represents and warrants to the Agent that immediately prior to this Collateral Assignment, Desco was the sole owner and holder of the Note, the sole beneficiary of the Deed of Trust and sole assignee under the Assignment, and Desco has not previously assigned the Note or any of the Security Documents except in favor of Agent for the benefit of Banks.

Desco specifically acknowledges and agrees to the provisions contained in Section 14.22 of the Deed of Trust and Section 28 of the Assignment concerning the effect of this Collateral Assignment, all as more particularly set forth in the Loan Agreement and in particular, Sections 3.07 and 3.08 thereof.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, Desco has duly executed this Collateral Assignment as of the day and year first hereinabove written.

DESCO FINANCIAL, L.L.C.,  
a Missouri limited liability company

By: Todd R. Schnuck  
Todd R. Schnuck, Manager *MB*

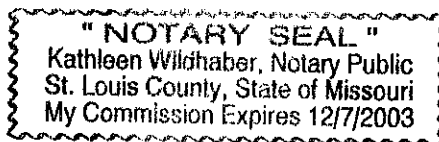
STATE OF MISSOURI     )  
                                  ) ss.  
COUNTY OF ST. LOUIS    )

Personally appeared before me, the undersigned authority in and for the said County and State, on this 18<sup>th</sup> day of September, 2003, within my jurisdiction, the within named Todd R. Schnuck, who acknowledged that he is a Manager of DESCO FINANCIAL, L.L.C., a Missouri limited liability company, and that for and on behalf of the said limited liability company, and as its act and deed he executed the above and foregoing instrument, after first having been duly authorized by said limited liability company so to do.

Kathleen Wildhaber  
Notary Public

My commission expires:

12/7/03



## EXHIBIT A

A PARCEL OF LAND LOCATED IN THE CITY OF OLIVE BRANCH, DESOTO COUNTY, MISSISSIPPI BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE CENTERLINE INTERSECTION OF GOODMAN ROAD AND MISSISSIPPI HIGHWAY 302 BYPASS THENCE NORTH 65°02'05" EAST ALONG THE CENTERLINE OF SAID MISSISSIPPI HIGHWAY 302 BYPASS A DISTANCE OF 250.17 FEET TO A POINT ON SAID CENTERLINE; THENCE DEPARTING SAID CENTERLINE SOUTH 24°57'55" EAST A DISTANCE OF 124.67 FEET TO THE POINT OF BEGINNING AND BEING A FOUND MISSISSIPPI DEPARTMENT OF TRANSPORTATION RIGHT-OF-WAY MONUMENT ON THE SOUTH RIGHT-OF-WAY OF SAID MISSISSIPPI HIGHWAY 302 BYPASS (R.O.W. VARIES); THENCE AROUND SAID PARCEL THE FOLLOWING BEARINGS AND DISTANCES:

NORTH 65°02'05" EAST ALONG SAID SOUTH RIGHT-OF-WAY A DISTANCE OF 1033.00 FEET TO A SET 5/8" REBAR; THENCE DEPARTING SAID SOUTH RIGHT-OF-WAY SOUTH 36°15'41" EAST A DISTANCE OF 423.91 FEET TO A POINT; THENCE SOUTH 12°42'49" WEST A DISTANCE OF 248.85 FEET TO THE NORTHEAST CORNER OF A CEMETERY PROPERTY AND A SET 5/8" REBAR; THENCE SOUTH 77°24'16" WEST ALONG THE NORTH LINE OF SAID CEMETERY A DISTANCE OF 245.98 FEET TO A SET 5/8" REBAR; THENCE SOUTH 00°21'44" EAST ALONG THE WEST LINE OF SAID CEMETERY A DISTANCE OF 142.73 FEET TO A POINT ON THE NORTH RIGHT-OF-WAY OF GOODMAN ROAD (R.O.W. VARIES) AND A SET 5/8" REBAR; THENCE SOUTH 89°38'16" WEST ALONG SAID NORTH RIGHT-OF-WAY A DISTANCE OF 592.95 FEET TO A SET 5/8" REBAR; THENCE NORTH 71°26'30" WEST A DISTANCE OF 118.22 FEET TO A POINT ON A NON TANGENT CURVE CONCAVE NORTHEASTERLY AND A FOUND MISSISSIPPI DEPARTMENT OF TRANSPORTATION CONCRETE RIGHT-OF-WAY MONUMENT; THENCE 315.51 FEET ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A RADIUS OF 514.59 FEET, A DELTA ANGLE OF 35°07'48", A CHORD BEARING OF NORTH 57°42'41" WEST, AND A CHORD DISTANCE OF 310.59 FEET TO A FOUND MISSISSIPPI DEPARTMENT OF TRANSPORTATION RIGHT-OF-WAY MONUMENT; THENCE NORTH 27°06'16" EAST A DISTANCE OF 163.05 FEET TO THE POINT OF BEGINNING.

ALL OF THE ABOVE DESCRIBED PARCEL BEING SITUATED IN AND A PART OF THE SOUTHWEST 1/4 OF THE SOUTHWEST 1/4, CITY OF OLIVE BRANCH.

INDEXING INSTRUCTIONS:

THE SOUTHWEST 1/4 OF THE SOUTHWEST 1/4.

SECTION 28, TOWNSHIP 1, RANGE 6 WEST, IN DESOTO COUNTY, MISSISSIPPI.

Return to:

M. Champlin, Atty.  
6263 Poplar Avenue, Suite 300  
Memphis, TN 38119

Stewart Title 03 07 0932

## EXHIBIT B

Deed of Trust/Assignment

		<u>Effective</u>	<u>Grantor/Assignor</u>	Chancery Court Clerk's <u>Book / Page</u>
1.	Deed of Trust and Security Agreement	September 22, 2003	SM Properties Memphis, L.L.C.	BK <u>1836</u> , PG <u>159</u>
2.	Assignment of Lessor's Interest in Rents and Leases	September 22, 2003	SM Properties Memphis, L.L.C.	BK <u>100</u> , PG <u>310</u>

STATE MS.-DESOTO CO.  
FILE

SEP 30 1 44 PM '03

BK 100 PG 325  
J.E. DAVIS CH. CLK.STATE MS.-DESOTO CO.  
FILE

SEP 30 1 37 PM '03

BK 1836 PG 223  
J.E. DAVIS CH. CLK.